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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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EXAMINER

TINKLER, MURIEL S

ART UNIT

PAPER NUMBER

3691

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PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 09/993,926	Applicant(s) CHEUNG ET AL.	
	Examiner MURIEL TINKLER	Art Unit 3691	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 17 August 2009.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1,2,5-37 and 39-50 is/are pending in the application.
- 4a) Of the above claim(s) 24-36 is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1,2,5-23,37 and 39-50 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date <u>8/18/2009</u> . | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

This application has been reviewed. The status of the claims are as follows: claims 1, 2 and 5-50 were previously pending; claims 24-36 have been withdrawn and claims 1, 15, 16, 19, 37, 44 and 45 have been amended; claim 38 has been cancelled; therefore, claims 1, 2, 5-37 and 39-50 are currently pending; and, claims 1, 2, 5-23, 37 and 39-50 have been examined. The rejection(s) are as follows.

Response to Amendment

1. The amendments have been reviewed against the specification and accepted for examination.

Response to Arguments

2. Applicant's arguments, see page 16, filed August 17, 2009, with respect to the 35 USC 101 Rejection of claims 1-18, 22, 23, 27 and 28-43 have been fully considered and are persuasive. The Applicant has amended the claims to overcome the 35 USC 101 Rejection of the claims. Therefore, the 35 USC 101 Rejection of claims 1-18, 22, 23, 27 and 28-43 has been withdrawn.
3. The remainder of Applicant's arguments filed August 17, 2009 have been fully considered but they are not persuasive.
4. The Applicant argues that Davis does not disclose receiving a desired rank. The Examiner disagrees. Davis discloses receiving a desired rank in column 19 (lines 44-

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50), see also the rejection mailed on October 31, 2008 paragraph 9(d). Additionally, Fraser discloses undoing a bid if the desired rank/bid is not reached, see column 17 (lines 30-38) and column 17 (line 47) through column 18 (line 13). Furthermore, the Examiner will also change the rejection(s) of claims 22 and 40, according to the same grounds of rejection as claim 9.

5. The Applicant argues that there is not mention in Davis of re-ordering search listings. The Examiner disagrees. Davis discloses re-ordering search listings in column 18 (line 66) through column 19 (line 7) and figure 8 (element 840).

6. The Applicant argues that Davis does not disclose a bid cap. The Examiner disagrees. Davis discloses a bid cap as an account balance/authorized amount in column 16 (line 35) through column 17 (line 8). Furthermore, the specification discloses, on page 11 (lines 20-25), a bid cap as a maximum dollar amount a bid can be set by the system. In Davis's case, that amount is the account balance/authorized amount.

7. The Applicant argues that Davis does not disclose incrementing bids. The Examiner agrees and has already cited Konia in the office action mailed on October 31, 2009, in paragraph 10. Konia discloses incrementing bids in figure 2 (elements 208, 210 and 212).

8. The Applicant argues, on page 15, that the Examiner uses un-paid listing as a part of the search ranking and that that Davis does not disclose reducing the respective bid amounts only if the reduced bid amount exceeds a system minimum bid. The Examiner disagrees. The system minimum bid is zero. The Examiner cited Davis,

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column 5 (line 35) through column 6 (line 15), with an emphasis on the ordering of the paid (amounts greater than zero) search listings.

9. The Applicant argues that the cited prior art does not disclose receiving a single desired rank for all search listings and adjusting the respective bid amounts for all search listings according to a single desired rank and bid cap. The Examiner disagrees. See the tie contention in the rejection of claim 1 below.

10. The Applicant argues that the cited prior art does not disclose providing an error message if a desired rank is not within a permitted range or desired ranks or if the desired rank is not one of ranks 1 through 3. The Examiner disagrees. Davis discloses that if the rank changes to be outside of a range an error occurs, See column 14 (lines 9-20), as cited in the office action mailed on October 31, 2008, paragraph 15.

11. The Applicant argues that there is no mention of 'premium search listing'. The Examiner disagrees. The premium search listings are the paid search listings, as shown in Davis in column 5 (line 35) through column 6 (line 15).

12. The Applicant argues that Davis does not disclose a predetermined number of positions near the top of the search results. The Examiner disagrees. Davis discloses that a preferred number of 40 premium (paid) search listings will appear in column 18 (lines 4-18).

13. The Applicant argues that Davis does not disclose the use of a service provider. The Examiner disagrees. The system clearly uses some sort of network, as shown in figure 1 (element 20).

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14. The Applicant argues that Davis does not include a service provider. The Examiner disagrees. Davis discloses the use of a 'network information provider' in the Abstract.

Claim Rejections - 35 USC § 101

15. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

16. Claims 1-18, 22, 23, 37 and 39-43 are rejected under 35 U.S.C. 101. Based on Supreme Court precedent and recent Federal Circuit decisions, a 35 U.S.C § 101 process must (1) be tied to a particular machine or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. In re Bilski et al, 88 USPQ 2d 1385 CAFC (2008); Diamond v. Diehr, 450 U.S. 175, 184 (1981); Parker v. Flook, 437 U.S. 584, 588 n.9 (1978); Gottschalk v. Benson, 409 U.S. 63, 70 (1972); Cochrane v. Deener, 94 U.S. 780,787-88 (1876).

17. An example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps. Thus, to qualify as a § 101 statutory process, the claim should positively recite the particular machine to which it is tied, for example by identifying the apparatus that accomplishes the method steps, or positively recite the subject matter that is being transformed, for example by identifying the material that is being changed to a different state.

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18. Here, the Applicant's claims do not contain any hardware in the body of the claims that perform calculation or transformation of the data (i.e. purely software claims). Thus, the claims are non-statutory.

19. The mere recitation of the machine in the preamble with an absence of a machine in the body of the claim fails to make the claim statutory under 35 USC 101.

Note the Board of Patent Appeals Informative Opinion Ex parte Langemyer et al.

Claim Rejections - 35 USC § 103

20. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

21. This application currently names joint inventors. In considering patentability of the claims under 35 U.S.C. 103(a), the examiner presumes that the subject matter of the various claims was commonly owned at the time any inventions covered therein were made absent any evidence to the contrary. Applicant is advised of the obligation under 37 CFR 1.56 to point out the inventor and invention dates of each claim that was not commonly owned at the time a later invention was made in order for the examiner to consider the applicability of 35 U.S.C. 103(c) and potential 35 U.S.C. 102(e), (f) or (g) prior art under 35 U.S.C. 103(a).

22. Applicant has provided evidence in this file showing that the invention was owned by, or subject to an obligation of assignment to, the same entity as Davis et al. at the

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time this invention was made, or was subject to a joint research agreement at the time this invention was made. However, reference Davis et al. additionally qualifies as prior art under another subsection of 35 U.S.C. 102, and therefore, is not disqualified as prior art under 35 U.S.C. 103(c).

23. Applicant may overcome the applied art either by a showing under 37 CFR 1.132 that the invention disclosed therein was derived from the invention of this application, and is therefore, not the invention "by another," or by antedating the applied art under 37 CFR 1.131.

24. Claims 1, 2, 5-9, 13-23, 37 and 39-50 are rejected under 35 U.S.C. 103(a) as being unpatentable over Davis et al. (US 6,269,361 B1) in view of Konia (US 7,225,151), hereafter referred to as Davis and Konia respectively.

25. Regarding claims 1, 5, 15, 19 and 23, Davis discloses:

- a. A computer implemented method for a pay for placement search system in the Abstract, "A system and method for enabling information providers using a computer network such as the Internet to influence a position for a search listing within a search result list generated by an Internet search engine."
- b. Storing with a computer one or more search listings associated with an advertiser, each search listing including a respective bid amount, in the Abstract, "each account contains at least one search listing having at least three components: a description, a search term comprising one or more keywords, and a bid amount."

c. Receiving a bid cap, the specification discloses a bid cap as a maximum dollar amount at which a bid can be set by the system. Davis discloses a bid cap as an 'authorized amount', in column 16 (line 35) through column 17 (line 8).

d. Adjusting the respective bid amounts for the selected search listings according to the bid and desired rank, in the Abstract, "The system and method of the present invention then compares this bid amount with all other bid amounts for the same search term, and generates a rank value for all search listings having that search term." Also, see column 19, lines 45-49.

e. If a tie condition makes a desired rank unavailable for a respective search listing, incrementing a bid amount for the respective search listing, see claim 19, figure 8 (display user entered bid changes) and element 830.

26. However, Davis does not disclose the use of automation in adjusting the bid amounts. Konia, discloses the act of automatically adjusting the bid amounts using computer program code in figure 2 (elements 208, 210 and 212). Therefore, it would have been obvious to a person having ordinary skill in the art at the time the invention was made to modify Davis to include the act of automatically adjusting the bid amounts, because it will become more difficult for bidders to monitor bids in several different auctions, see Konia (column 1, lines 24-26). Therefore, Konia discloses the need for a system that monitors the current rankings in auctions and automatically adjusts its bids according to the rules defined by its user in column 1 (lines 27-30).

27. Regarding claims 2, Davis discloses increasing bids so long as each respective bid does not exceed the bid cap, see claim 15 and figure 8.

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28. Regarding claim 6, Davis discloses reducing the bid amount to a minimum bid necessary to retain the best attainable rank for the selected search listing, see column 19 (lines 13-17) and figure 8 (element 830).

29. Regarding claim 7, Davis discloses reducing the respective bid amounts only if the reduced bid amount exceeds a system minimum, see column 5 (lines 50-55).

30. Regarding claims 8, 39 and 48, Davis discloses if adjusting the bid/rank amount produces no change in the bid/rank, leaving the bid/rank amount unadjusted, on page 6 and lines 32-34, "All search listing changes and modifications are processed substantially in real time to support the online competitive bidding' process." The change order process only works when the amount of the bid has changed. The "Change Bids" process is also illustrated in Davis, Figure 8. So if the bid amount that was entered was equal to the original amount, the amount will stay the same.

31. Regarding claims 13 and 14, Davis discloses providing an error indicating if the desired rank is not within a permitted range of desired ranks see column 14 (lines 9-20).

32. Regarding claim 16, Davis discloses in claim 30, ""enabling a website promoters using a computer network to update information relating to a search listing within a search result list generated by a search engine."

33. Regarding claims 17 and 18, Davis discloses providing a notification/confirmation after adjusting the respective bid amounts and of received bid cap. Claim 18 was dependent on claim 1, which is disclosed based on the discussion(s) above. Davis discloses on page 15 and line 33-40, "Once the advertiser ascertains that the displayed data is correct, the advertiser may click on a "Confirm" button.., which adds money to

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the appropriate account balance, updates the advertiser's billing information, and appends the billing information to the advertiser's payment history.

34. Regarding claim 20, Davis discloses in claim 14, "programming code for generating in substantially real time a search result list in response to the search request, the search result list including search listings from the accounts on the database, wherein the search term for each search listing in the search result list generates a match with the search request, the search listings in the search result list arranged in an order determined using the bid amounts of the search listings."

35. Regarding claim 21, Davis discloses on page 18 lines and 66-67 through page 19 and lines 1-7, "bid amounts for every search listing displayed, the rank values, and the bid amount needed to become the highest ranked search listing matching the search term field. Preferably, the system then presents a display of changes at step 850. After the user confirms the changes, the system updates the persistent state by writing the changes to the account in the database."

36. Regarding claim 37, see the rejection of claim 1 above. Davis also discloses receiving a search query matching a selected search listing and forwarding the searcher to a search results list with listing positioned according to rank, see the Abstract, "The rank value generated by the bidding process determines where the network information providers listing will appear on the search results list page that is generated in response to a query of the search term by a searcher located at a client computer on the computer network. A higher bid by a network information provider will result in a higher rank value and a more advantageous placement."

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37. Regarding claim 44, see the rejection of claims 1 and 37 above. Davis also discloses producing an advertiser access page in figure 9.

38. Regarding claims 45, 49 and 50, see the rejection(s) of claims 1 and 37 above.

Davis also discloses:

- a. An account management storage system (database) in the Abstract, "The system and method of the present invention provides a database having accounts for the network information providers."

- b. A search engine web server that generates ordered search result lists matching keywords in figure 7

- c. An account management server accessible over a network by advertisers in figure 4

35. Regarding claim 46, Davis discloses a server in figure 1 (element 24), a database in figure 1 (element 40) and search listing records in column 9 (lines 8-18).

36. Regarding claim 47, Davis discloses two servers (search engine-element 24, and account management-element 22) each with their own databases (40 and 32 respectively) connected in column 9 (lines 8-18).

37. Claims 9-12, 22 and 40-43 rejected under 35 U.S.C. 103(a) as being unpatentable over Davis and Konia as applied to claims 1 and 37 above, and further in view of Fraser (US 6,560,580), hereafter referred to as Fraser.

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38. Regarding claims 9, 22 and 40, Davis and Konia disclose the information in claims 1 and 37 above. Davis does disclose leaving a grandfathered (or a bid that has been previously entered and unchanged) the same, see column 6 (lines 32-34) and figure 8. Also, Konia discloses decreasing a bid amount if the desired rank exceeds the desired rank in figure 5 (510) and figure 7 (710). However, Davis and Konia do not disclose undoing a bid if the desired rank/bid is not reached. Fraser discloses the act of undoing a bid if the desired rank/bid is not reached in column 17 (lines 30-38) and column 17 (line 47) through column 18 (line 13). Therefore, it would have been obvious to a person having ordinary skill in the art at the time the invention was made to modify Davis and Konia to include the act of undoing the bid because simply undoing or cancelling a bid is a more efficient/simpler process than reducing a bid to a specific amount. Furthermore, this 'undoing' allows for increased speed and accuracy of trading", see Fraser column 3 (lines 48-60).

39. Claims 10-11 and 41-43 discuss, processing a requested bid/rank to a higher requested bid/rank produces a bid/rank change to a rank below an initial bid/rank, leaving the bid amount unadjusted only if the bid amount required for the initial rank does not exceed the bid cap. Davis does not disclose leaving a bid amount unadjusted if a request for a change to a higher rank produces a rank below initial rank. Fraser teaches on page 17 and lines 31-33, "This invention preferably provides ways for the broker to effectively "undo" a trade, either by canceling a pending order, or rolling-back executions during a trade state." Therefore, it would have been obvious to a person having ordinary skill in the art at the time the invention was made to modify Davis as

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taught by Fraser by canceling a change that resulted in a rank below the intended rank if funds are available for the initial rank.

Conclusion

THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to MURIEL TINKLER whose telephone number is (571)272-7976. The examiner can normally be reached on Monday through Friday from 6:30 AM until 3 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached on (571)272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Alexander Kalinowski/
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